

GRANTS COMMITTEE
MINUTES

February 3, 2014

- PRESENT: Councillor Russell Walker, Chair
Councillor Barry Dalrymple, Vice Chair
Councillor David Hendsbee
Councillor Matt Whitman
Mr. Darren Watts
Ms. Kate Watson
Mr. Donald Dodge
Mr. Jason Cooke
- NOT PRESENT: Mr. Francis Glover
Ms. Corinne Peters
- STAFF: Ms. Peta-Jane Temple, Team Lead, Tax, Grants & Special
Projects, Finance and ICT
Mr. Bruce Fisher, Manager, Financial Policy and Planning
Ms. Jennifer Weagle, Legislative Assistant

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1. CALL TO ORDER

The Chair called the meeting to order at 1:03 p.m. in Halifax Hall, City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF MINUTES – December 2, 2013

Ms. Peta-Jane Temple, Team Lead, Tax, Grants & Special Projects, Finance and ICT, clarified that in the last paragraph of item 7.4 on page 6, it should read “the current rate in 2013”.

MOVED by Councillor Dalrymple, seconded by Councillor Whitman, that the Grants Committee minutes of December 2, 2013 be approved as amended. MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

The Chair noted that the Chair of the Grants Committee is elected by the Audit and Finance Standing Committee. Agenda Item 10 Election of Chair and Vice Chair will be deferred to the following meeting.

MOVED by Darren Watts, seconded by Councillor Whitman, that the agenda be approved as amended. MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES

4.1 Business Arising – None

5. CONSIDERATION OF DEFERRED BUSINESS – None

6. CORRESPONDENCE, PETITIONS & DELEGATIONS - None

7. REPORTS

7.1 Property Matter: Proposed Less Than Market Value Lease – Canada Games Centre

A staff report dated November 26, 2013 was before the Committee.

MOVED by Councillor Dalrymple, seconded by Darren Watts, that the HRM Grants Committee recommend that Halifax Regional Council enter into a less than market value lease agreement with the Canadian Sports Centre Atlantic, with terms and conditions as outlined in Table 1 of the November 26, 2013 staff report.

Ms. Kate Watson inquired whether HRM pays property taxes on HRM buildings. Ms. Temple replied that HRM does not pay property taxes on HRM owned buildings that are operated by HRM, but under the Assessment Act, if HRM owns a property and leases it, a part of the assessment would be taxable. She noted that taxes would be proportional to the occupancy, and based on the use, which in this case would be commercial. Ms. Temple further clarified that having a less than market value lease has no effect on their tax rate.

Ms. Denise Schofield, Manager, Regional Recreation & Culture, clarified that the market rent is assessed at \$16/sq. ft. and the agreement is for \$14/sq. ft.

Responding to questions from Councillor Hendsbee, Ms. Temple advised that the property tax would be assessed by Property Valuation Services. Ms. Schofield advised that this will be the second time that Council will be considering this lease, so they have been added to the tax roll.

7.2 Proposed Program Re-Design for Tax Relief for Non-Profit Organizations *(verbal presentation)*

Mr. Bruce Fisher, Manager, Financial Policy and Planning, discussed work that is being done on the proposed program for the re-design for tax relief for non-profit organizations. Mr. Fisher commented that this is a complex and confusing issue, noting that non-profits are not always going on the tax roll and the by-law at the same time, and some non-profits are completely exempt, while others only partially. He noted that there is a backlog of non-profits trying to get on the by-law, and indicated that many non-profits are assessed by default as commercial. Mr. Fisher advised that staff are attempting to simplify the process and make it sustainable, consistent and affordable for non-profits. He indicated that staff are proposing to take a different look at tax relief for non-profits, to focus on what they pay, instead of what they are exempt from, and to look at a non-profit tax rate.

Mr. Fisher indicated that there is a diverse range of non-profits in a diverse range of buildings and locations. He indicated that staff are considering three categories for non-profits for tax relief purposes:

1. Housing – co-op and non-profit housing
2. Support services – shelters & food banks
3. All other non-profits

Mr. Fisher noted that it would be up to Council to levy what rate is appropriate, and having a non-profit tax rate would be much more formulaic. He noted that this is intended as an update for the Committee and a detailed presentation and discussion will be held at a future meeting, with a recommendation report to follow that.

The Committee discussed the issue of tax rates for non-profits, with staff responding to questions of clarification.

**7.3 Tax Relief for Registered Non-Profit Organizations: Proposed
Administrative Order 59 and Renewals for 2013-14 Fiscal Year. Part 1**

A staff report dated January 27, 2014 was before the Committee.

An updated Administrative Order 2014-001-ADM Tax Relief for Registered Non-Profits (previously referred to as Administrative Order 59) was before the Committee.

Ms. Temple indicated that the Part 1 report relates to renewals, and the Part 2 report relates to new ad deferred applications. She further clarified that this originates from an Auditor General's report on Corporate Grants, Donations and Sponsorship from January 2011 which recommended a review of HRM's tax assistance program. Ms. Temple also noted that Council recently approved a new naming and numbering convention for Administrative Orders, and that any reference to Admin Order 59 in the report or this discussion should be understood to mean the renumbered Administrative Order 2014-001-ADM.

Mr. Fisher noted that the proposed Admin Order will give staff and the Committee the authority to process applications the way that they have been processed.

MOVED by Darren Watts, seconded by Councillor Whitman, that the Grants Committee recommend that Regional Council:

- 1. Repeal HRM By-law T-200; as set out in Attachment 1;**
- 2. Approve the new Administrative Order name of "2014-001-ADM" in keeping with naming convention outlined in Administrative Order 54 which came into effect on January 28, 2014;**
- 3. Adopt HRM Administrative Order 2014-001-ADM as set out in the revised copy circulated to members of the Committee;**
- 4. Approve the removal of six (6) organizations based on late application or sale of property for a combined total saving to the program of \$40,865 in 2013;**
- 5. Approve a decrease in the level of tax relief for three (3) organizations to align the level of tax relief with comparable service providers and/or removal of commercial leasing for a combined total saving to the program of \$9,665;**
- 6. Approve the renewal of full or partial tax relief for 179 organizations (332 properties) as listed in Attachment 5, tables 3a to 3e, effective April 1, 2013, unless specified otherwise, for a combined total cost of \$2,862, 237.**

MOVED by Councillor Hendsbee, seconded by Kate Watson, that recommendation #4 be amended to recommend the reinstatement of tax relief for three (3) organizations, Chezzetcook & District Lions Club (\$5,898), Ketch

**Harbour Area Residents Association (\$294), and Senobe Aquatic Club (\$16,674).
AMENDMENT PUT AND PASSED.**

The amended main motion was voted on at this time. **MOTION PUT AND PASSED.**

**7.4 Administrative Order 59. Tax Relief for Non-Profit Organizations. New
Applications - 2013 Fiscal Year. Part 2**

A staff report dated January 27, 2014 was before the Committee.

**MOVED by Councillor Dalrymple, seconded by Darren Watts, that the Grants
Committee recommend that Regional Council:**

- 1. Approve the addition of twenty (20) non-profit housing organizations to
Schedule 30 of Administrative Order 2014-001-ADM, effective April 1, 2013, at
a combined estimate cost of \$171,131;**
- 2. Approve the addition of the Bedford Basin Yacht Club, Deanery Project
Cooperative Limited, Jost Mission Day Care Society; Bay Road Community
Hall Association, and Lake Echo Lions Club to Schedule 29 of Administrative
Order 2014-001-ADM, effective April 1, 2013, at a combined estimate of
\$33,540;**
- 3. Decline twenty-eight (28) applicants as detailed in Attachment 4 of this
report; and**
- 4. Defer five (5) applicants as detailed in Attachment 5 of this report.**

Responding to a question from Councillor Hendsbee, Ms. Temple indicated that staff can only consider the 2013 taxes of Deanery Project Cooperative Limited (page 15 of the staff report), and noted that the Deanery has the option of requesting a payment plan to pay prior years' taxes.

Councillor Hendsbee further indicated that the Lake Echo Lions Club (page 16 of the staff report) is transitioning from an operator of the building to an occupancy lease with HRM, and suggested that their past taxes should be written off as uncollectable. Ms. Temple clarified that past taxes cannot be paid with this program, and indicated that staff could discuss with Community and Recreation Services staff about them paying a portion of the back taxes.

Responding to a question from Councillor Whitman, Ms. Temple clarified that the Hammonds Plains Fire Hall & Community Centre has not yet been added to the tax roll, and has therefore not yet been assessed.

Responding to an inquiry from Mr. Jason Cooke with regard to the 10 housing co-ops recommended to be declined, Ms. Temple indicated that some had not reported back

on the spending of their capital grants, and others reporting was incomplete. She indicated that rather than declining the applications, the Committee could recommend them to be deferred to the 2014 program.

MOVED by Jason Cooke, seconded by Councillor Hendsbee, that the 10 housing co-ops be removed from recommendations #3 (declined), and added to recommendation #4 (deferred). AMENDMENT PUT AND PASSED.

At the request of Councillor Dalrymple, Ms. Temple clarified that the Icelandic Society was recommended to be declined because of the nominal tax amount of \$13. Councillor Dalrymple noted that the Icelandic Society now has a full replica of an Icelandic house on the property.

MOVED by Councillor Dalrymple, seconded by Councillor Hendsbee, that the Icelandic Memorial Society be removed from recommendation #3 (declined) and added to recommendation #4 (deferred). AMENDMENT PUT AND PASSED.

The amended main motion was voted on at this time. **MOTION PUT AND PASSED.**

7.5 Proposed Grants and Contributions Policy (*verbal update*)

Ms. Temple advised that the development of a corporate wide grants and contributions policy is based on recommendations coming from an Auditor General's report. Staff are working to establish principles for grants and contributions, and will be bringing the recommendations directly to Regional Council. Ms. Temple indicated that staff will circulate the report when it goes to Council.

8. ADDED ITEMS - None

9. NEXT MEETING DATE

9.1 Approval of 2014 Meeting Schedule

A proposed meeting schedule for 2014 was before the Committee. The following meeting schedule was approved, as amended:

January 6
February 3
March 3
April 7
May 5
June 9 (*Media Room*)
September 8
October 6 (*Media Room*)
November 3
December 1

Meetings will be held at 1:00 p.m. in Halifax Hall, on the main floor of City Hall, 1841 Argyle Street, Halifax, unless otherwise noted.

10. ELECTION OF CHAIR AND VICE CHAIR

This item was deferred to a future meeting. Refer to the approval of the order of business on page 3.

11. ADJOURNMENT

The meeting was adjourned at 2:35 p.m.

Jennifer Weagle
Legislative Assistant